

# Technical Assistance Paper # 7

## *Capturing Outside Wealth*

### No Town is an Island

The net effect of globalization is the desolation of Missouri's rural communities. Whether farming communities north of Highway 36, an ozark village surrounded by forests or a town on the Great River Road, all are part of a single, great economic flow. Telecommunications enables us to send and receive information to or from anywhere in the world. Superb highway and rail systems make it possible to deliver goods and services virtually everywhere. No Missouri community can be said to be too isolated to tie into the world's wealth.

And yet, one of the complaints often raised against rural life is its isolation, literally or figuratively - a feeling of somehow being out of step with the rest of the world. In actuality, many rural communities are, indeed, isolated, but it is no longer a condition imposed by the world. It is a condition acquiesced by the community itself.

Succeeding in economic development is often a matter of de-isolating - a process of opening to the world.

### Economic Geography

While isolation may not be a factor, location often is. Certain kinds of enterprises must be located in certain areas in order for them to be successful, just as, in real estate, location often determines what kind of customers will be attracted to a given piece of property. Location is itself a community asset, if it is used properly.

Part of the de-isolation process includes a frank analysis of community assets that can be used to capture outside dollars. There are a number of enterprises that may be utilized, again, given the right assets.

Tourism - More than 136,000 Missourians are employed by tourism enterprises, most of them classified as small businesses. It is the second largest revenue producing enterprise in the state, adding about \$6 billion to Missouri's economy annually. An analysis of community assets that is relevant to tourism would focus on three areas.

First, services for travelers; things as simple as places to eat, clean restrooms, courteous attendants and sales clerks, and available information about local attractions. These are the little things that can make a trip enjoyable, or completely kill a tourist enterprise at the roots.

Second, accommodations (hotels, campsites, etc) - a good bed and breakfast is often reason enough for many tourists to come to a community. No accommodations means tourists can only pass on their way somewhere else.

Third, the attractions themselves. Are they accessible on a regular basis, are they developed, do they really provide a tourist with something pleasurable to see or do?

Housing Development and Retirees - In many small communities the poor quality of available housing stock prevents other kinds of development from occurring. In those cases, a program to build new housing and renovate existing neighborhoods may also induce new businesses and industrial relocations or expansions.

The term A bedroom community refers to a town where the majority of the residents work somewhere else. Encouraging such residents is a perfectly viable way to encourage economic growth. Communities located close to larger cities may attract new residents by emphasizing their quality of life and rural atmosphere.

Retirees bring in a pension and a social security check. Some models suggest that successfully attracting retirees as new residents to a community create more local spin off jobs than even manufacturing, particularly in the service industries, health care and recreation. Several Missouri counties have employed this method very successfully.

Grants - There is still money out there for infrastructure, community facilities, recreation, housing, social services, education and other kinds of improvements. Communities that hope to tie into these dollars must maintain networks with governmental agencies and other organizations. The biggest element in receiving these grants is knowing when to apply and who to apply to.

## Community Viability

In blunt words, the ability of a community to capture outside dollars depends on the relevance of that community to the world. Relevance is a matter of changing with the world, not expecting the world to change. To de-isolate itself, communities must often change not only their economic base, but their quality of life, values and attitudes as well. In some cases, a successful economic development program may have less to do with factories, entrepreneurialship and business expansion than it does with expanding the community capacity to change.

For more information on Missouri's business development and community programs, contact the Department of Economic Development at 800/523-1434.